

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any House Principles.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

The Police Pension Fund of the City of West Palm Beach was created in 1947.¹ The Fund defines "retirement" as a withdrawal from city employment. The investment policy guidelines for the Fund were created by special law which also enumerated those investments authorized for the Fund. The Fund required that accumulated leave payable upon separation be transferred to the Fund up to the amount permitted by law. Reemployment after retirement was not authorized by the Fund.

Effect of Proposed Changes

The bill revises the definition of retirement as withdrawal from Police Department employment as a police officer. The bill revises the investment policy of the Fund to conform to Florida law and limits investment in foreign investments to those authorized by s. 185.06(1)(b)4., F.S. The bill provides standards for the performance of duties by the Board relating to investments. The bill requires members who are eligible to receive a lump sum payment of accumulated leave to make contributions to the health savings account before any remaining leave payment is transferred to the Fund.

The bill also provides guidelines for reemployment after retirement. A retiree may be reemployed by a public or private employer, except the City, and may receive compensation without restricting the retirement benefits. A retiree reemployed by the City would continue to receive benefits and may participate in the plan offered to new employees. A retiree may not be reemployed by the Police Department as a police officer or in any position that supervises police officers. If a retiree is reemployed in those positions the pension of the retiree is stopped until the retiree terminates employment. A retiree reemployed by the Police Department, but not in those positions, would continue to receive benefits and may participate in the plan offered to new employees.

These reemployment restrictions would not apply to terminated vested employees until that person began receiving benefits. Also, DROP participants would be treated as a retiree under normal retirement for purposes of reemployment.

C. SECTION DIRECTORY:

Section 1: Revises the definition of retirement; amends the Police Pension Fund's investment policy to conform to Florida law; provides for reemployment after retirement.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 11, 2008

¹ Ch. 24981 (1947), L.O.F.

WHERE? In the *Palm Beach Post*, a daily newspaper published at West Palm Beach in Palm Beach County, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No sponsor statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES